Motor Insurers' Bureau of Singapore

Annual Report

2024

Council Members

Licensed Direct General Insurers' Group
Mr A K Cher, Chairman (Tokio Marine Insurance Singapore Ltd)

Mr Sam Tan How Chuan, Deputy Chairman (MSIG Insurance (Singapore) Pte Ltd)
(resigned on 31/03/2024)

Ms Kamini D/O Kanagalingam, Deputy Chairman (MSIG Insurance (Singapore) Pte Ltd)
(appointed on 17/04/2024)

Mr Eddie Loke Fook Cheong (Income Insurance Limited)
Alternate: Ms Jenny Pe Peck Hoon (Income Insurance Limited)

Mr Mekavathanan S/O Purushotman Sarangapani (India International Insurance Pte Ltd)

Mr Jegaprakash Yogarajah (AIG Asia Pacific Insurance Pte Ltd)

Mr Vincent Ho Kai Onn (HSBC Life (Singapore) Pte Ltd)

Government Representatives
Mr Alvin Chia Beng Teck (Land Transport Authority of Singapore)
(resigned on 31/08/2023)

Mr Roy Kee Jiu Hwai (Land Transport Authority of Singapore)
(appointed on 01/09/2023)
Alternate: Ms Alanna Frances Lean Saw Kin (Land Transport Authority of Singapore)

Claims Manager/Secretary
Mr Andrew Ng

Registered Office
180 Cecil Street #14-04
Bangkok Bank Building
Singapore 069546

Telephone : 6220 5947 / 6220 8607
Facsimile : 6227 8764

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting of the Bureau will be held at 180 Cecil Street, #14-04 Bangkok Bank Building, Singapore 069546 on Thursday, 19 September 2024 at 10.30 a.m. for the following purposes:

Agenda

1) To confirm the Minutes of the 48th Annual General Meeting held on 28 September 2023, previously circulated to members.
2) To receive and consider the Audited Accounts and the Report of the Council for the year ended 31 March 2024.
3) To elect Councillors in the place of those retiring/resigning in accordance with the Articles of Association.
4) To appoint Auditors for the ensuing year.
5) To transact any other ordinary business.

By Order of the Council

Mr Andrew Ng
Secretary

Notes:

Attendance at General Meeting (Articles 10 and 11)

Art. 10. Every member other than Lloyd's Underwriters shall nominate one (1) person to represent it at all General Meetings of the Bureau, and in case such member is an incorporated body, such person shall be deemed to be such member's representative in terms of Section 179 of the Companies Act, Cap 50. Lloyd's Underwriters shall nominate one (1) person to represent them.

Art. 11. Every member shall advise the Secretary in writing of the name of the person nominated in terms of Article 10 hereof and shall advise the Secretary in writing if the person so nominated to represent it, is to be changed.

Appointment of Councillors (Articles 40(5) and (6))

Art. 40(5) No representative of a member not being a Councillor retiring at the meeting shall, unless recommended by the Council for election, be eligible for office on the Council at any General Meeting unless within the prescribed time before the day appointed for the meeting, there shall have been given to the Secretary notice in writing, by some member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such representative of a member for election and of the Group he is to represent and also notice in writing signed by the representative of a member to be proposed, of his willingness to be elected. The prescribed time above mentioned shall be such that, between the date when the notice is served, or deemed to be served and the day appointed for the meeting there shall be not less than three or more than twenty-eight intervening days.

Art. 40(6) If at any meeting at which an election of Councillors ought to take place, the places of the retiring Councillors, or some of them are not filled up, the retiring Councillors or such of them as have not had their places filled up and are willing to act, shall be deemed to have been re-elected.

CHAIRMAN'S STATEMENT

MIB takes pride in its vital role within the insurance industry, offering crucial support to individuals affected by accidents caused by uninsured and untraced drivers on Singapore roads. Despite the inherent challenges, MIB remains steadfast in its commitment to ensuring that innocent victims of uninsured and hit-and-run incidents receive fair and prompt compensation.

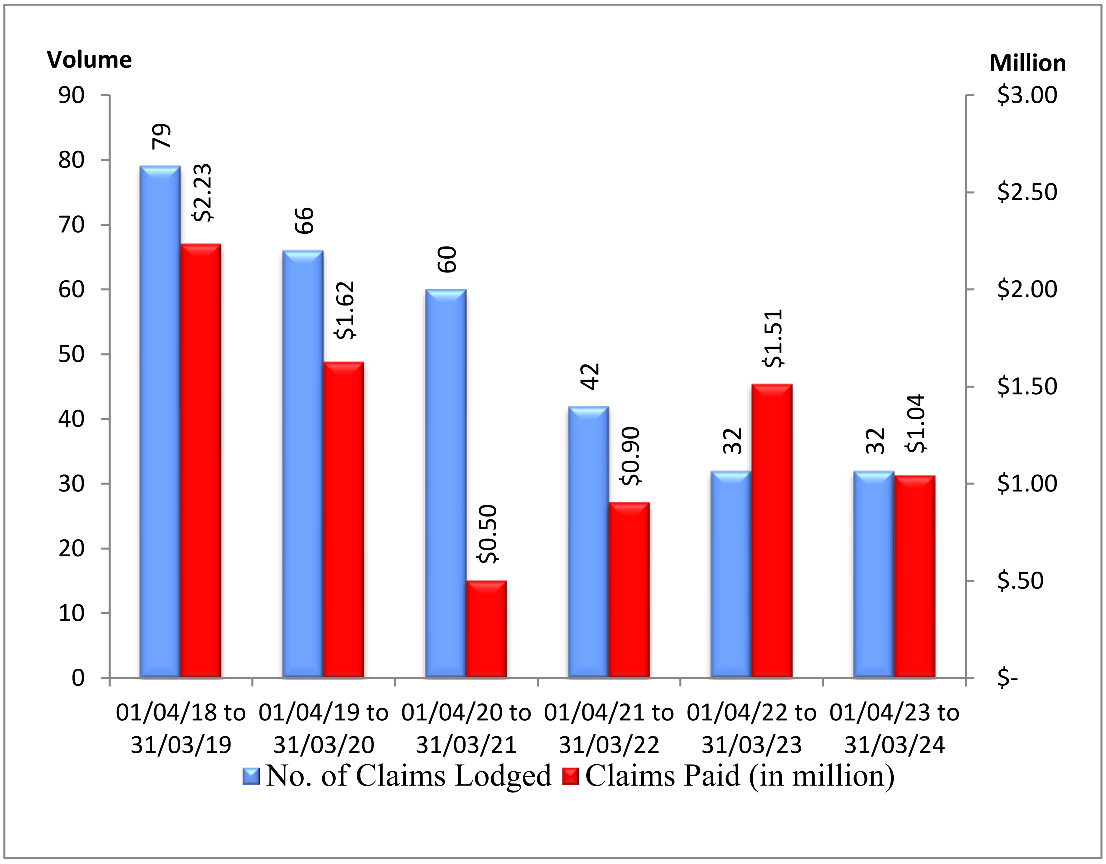
Over the past three years, there has been a noticeable decline in the number of claims lodged. Most of the claims had been effectively and amicably resolved within the framework of the MIB Agreement. However, obstacles persist, particularly concerning a few Malaysian insurers who are reluctant to settle injury claims involving their motor vehicles and motorcycles in Singapore.

Claims Data for the past 6 Years

Over the last six years, the total number of claims lodged as of **31 March 2024** was 311, compared to 363 as of **31 March 2023**. This represents a decrease of 52 cases (14%) in the number of claims lodged. It is important to note that from 2016, the Insurers Concerned claims were not registered unless in dispute.

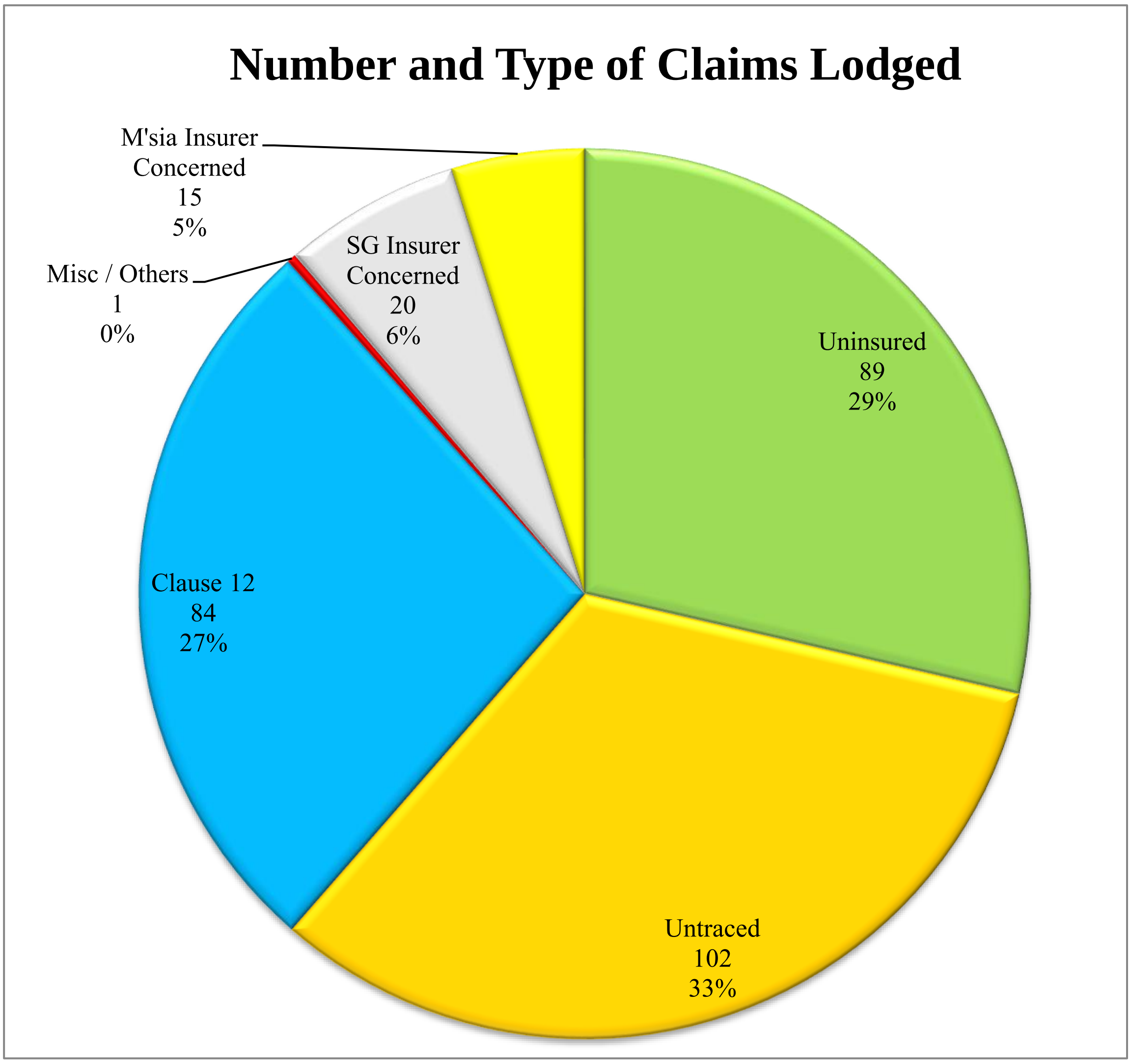
However, comparing the numbers on a year-to-year basis, as of **31 March 2024**, the total number of claims lodged for the year stood at 32, the same as the previous year.

The following charts and tables show the number of claims lodged, claims paid, and type of claims received over the past six years:



Claims Lodged from 1/4/2018 to 31/3/2024 – Breakdown on type of claims and its percentage

Types of Claims	No. of Claims Lodged from 1/4/2018 to 31/3/2021		No. of Claims Lodged from 1/4/2021 to 31/3/2024		Total Claims Lodged For 6 years	
	No. Of Claims	%	No. Of Claims	%	No. Of Claims	%
Untraced Drivers	71	35%	31	29%	102	33%
Clause 12	61	30%	23	22%	84	27%
Insurer Concerned (Singapore)	19	9%	1	1%	20	6%
Insurer Concerned (Malaysia)	11	5%	4	4%	15	5%
Uninsured Drivers	42	21%	47	44%	89	29%
Miscellaneous	1	0%	0	0%	1	0%
Total:	**205**	100%	**106**	100%	**311**	100%



Total Claims Lodged: 311

Number of Claims lodged, closed, amount paid and files outstanding from 1/4/2018 to 31/3/2024

	No. of Claims Lodged	No. of Files Outstanding	Rejected & Closed	No Development & Closed	No. of Claims Settled & Closed	Amount Paid S$
01/04/18 to 31/03/19	79	4	56	1	18	504,385
01/04/19 to 31/03/20	66	5	52	1	8	1,478,575
01/04/20 to 31/03/21	60	6	42	1	11	279,099
01/04/21 to 31/03/22	42	4	33	0	5	78,528
01/04/22 to 31/03/23	32	15	12	0	5	56,557
01/04/23 to 31/03/24	32	29	1	0	2	12,648
Total	**311**	**63**	**196**	**3**	**49**	**2,409,792**

Changes in Claims Rejected and Closed

Over the six years up to **31 March 2023**, the total number of files rejected and closed was 226. However, for the subsequent six years up to **31 March 2024**, the total number of cases dropped to 196.

Changes in Outstanding Files and Claims Paid

The total number of outstanding files decreased from 75 to 63 as of 31 March 2024 based on statistical development over the past six years. The total amount of claims paid during the six years up to **31 March 2024** amounted to $2,409,792.00, showing a reduction compared to the previous six years which totalled at $2,888,436.00.

Council Meetings and Attendance

The Council held 4 scheduled meetings during the year and the Council members attendance is listed below:

	Scheduled Meetings				
Name of Councillors	**19/4/2023**	**18/7/2023**	**28/9/2023**	**17/1/2024**	**Total**
A K Cher – Chairman	1	1	1	1	4
Sam Tan How Chuan – Deputy Chairman	1	1	1	1	4
Eddie Loke Fook Cheong	1	0	1	1	3
Mekavathanan S/O Purushotman Sarangapani	0	1	1	1	3
Jegaprakash Yogarajah	1	1	1	1	4
Vincent Ho Kai Onn	1	1	1	1	4
Alanna Frances Lean Saw Kin (Alternate to Alvin Chia Beng Teck)	1	0	0	1	2

Conclusion

I would like to extend my sincere gratitude to the Councillors who generously dedicated their time to support the mission of MIB. Your wealth of experience and knowledge has made an invaluable contribution to our work.

A special acknowledgement to Mr Sam Tan How Chuan of MSIG Insurance (Singapore) Pte. Ltd., who served as a Councillor from 19 September 2018, until 31 March 2024, and to Mr Alvin Chia Beng Teck of Land Transport Authority, who served on the Council from 4 July 2017, until his resignation on 31 August 2023 and welcome Mr Roy Kee Jiu Hwai of Land Transport Authority and Ms Kamini D/O Kanagalingam of MSIG Insurance (Singapore) Pte. Ltd to the Council on 1 September 2023 and 17 April 2024 respectively.

Finally, I wish to express my heartfelt appreciation to the members of MIB, our dedicated staff, and the various government agencies for their unwavering cooperation and support throughout the year.

A K Cher
Chairman

25 July 2024

List of Singapore Members

From 1.4.2023 to 31.3.2024

1. AIG Asia Pacific Insurance Pte Ltd
2. Allianz Insurance Singapore Pte Ltd
3. Allied World Assurance Company Ltd
4. Auto & General Insurance (Singapore) Pte Limited
5. China Taiping Insurance (Singapore) Pte Ltd
6. Chubb Insurance Singapore Limited
7. Direct Asia Insurance (Singapore) Pte Ltd
8. ECICS Limited
9. EQ Insurance Company Ltd
10. ERGO Insurance Pte Ltd
11. Etiqa Insurance Pte Ltd
12. FWD Singapore Pte Ltd
13. Great American Insurance Company
14. Great Eastern General Insurance Limited
15. HL Assurance Pte Ltd
16. HSBC Life (Singapore) Pte Ltd
17. Income Insurance Limited
18. India International Insurance Pte Ltd
19. Liberty Insurance Pte Ltd
20. Lonpac Insurance Bhd
21. MS First Capital Insurance Limited
22. MSIG Insurance (Singapore) Pte Ltd
23. QBE Insurance (Singapore) Pte Ltd
24. Singapore Life Ltd
25. Sompo Insurance Singapore Pte Ltd
26. Tokio Marine Insurance Singapore Ltd
27. United Overseas Insurance Limited
28. Zurich Insurance Company Ltd (Singapore Branch)

List of Malaysia Members

From 1.4.2023 to 31.3.2024

1. AIG Malaysia Insurance Berhad
2. Allianz General Insurance Company (Malaysia) Berhad
3. AIA General Berhad
4. Berjaya Sompo Insurance Berhad
5. Chubb Insurance Malaysia Berhad
6. Etiqa General Insurance Berhad
7. Etiqa General Takaful Berhad
8. Generali Insurance Malaysia Berhad
9. Great Eastern General Insurance (Malaysia) Berhad
10. Liberty General Insurance Berhad
11. Lonpac Insurance Berhad
12. MSIG Insurance (Malaysia) Berhad
13. Pacific & Orient Insurance Co. Berhad
14. Pacific Insurance Berhad (The)
15. Progressive Insurance Berhad
16. QBE Insurance (Malaysia) Berhad
17. RHB Insurance Berhad
18. Syarikat Takaful Malaysia AM Berhad
19. Takaful Ikhlas General Berhad
20. Tokio Marine Insurans (Malaysia) Berhad
21. Tune Insurance Malaysia Berhad
22. Zurich General Insurance Malaysia Berhad
23. Zurich General Takaful Malaysia Berhad

Motor Insurers' Bureau of Singapore
(a Bureau limited by guarantee)
Registration Number: 197500151Z

Annual Report
Year ended 31 March 2024

Councillors' statement

The Council is a body in which the management of the Bureau shall be vested in accordance with the Memorandum and Articles of Association. Accordingly, the Councillors are the directors of the Bureau.

We are pleased to submit this annual report to the members of the Motor Insurers' Bureau of Singapore (the 'Bureau') together with the audited financial statements for the financial year ended 31 March 2024. This statement is the Councillors' statement prepared pursuant to Section 201 of the Companies Act 1967 (the 'Act').

In our opinion:

(a) the financial statements set out on pages FS1 to FS25 are drawn up so as to give a true and fair view of the financial position of the Bureau as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Bureau for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Bureau will be able to pay its debts as and when they fall due.

The Council has, on the date of this statement, authorised these financial statements for issue.

Councillors

The Councillors in office as at the date of this statement:

Name of Councillors:	**Appointed on:**
A K Cher (Chairman)	23 August 2012
Sam Tan How Chuan (Deputy Chairman)	28 August 2014
Eddie Loke Fook Cheong	5 September 2003
Mekavathanan S/O Purushotman Sarangapani	5 February 2015
Jegaprakash Yogarajah	16 February 2015
Vincent Ho Kai Onn	19 January 2022
Roy Kee Jiu Hwai	1 September 2023
Kamini D/O Kanagalingam	17 April 2024

Name of Alternate Councillors:	
Jenny Pe Peck Hoon	29 October 2007 (alternate to Eddie Loke Fook Cheong)
Alanna Frances Lean Saw Kin	01 September 2023 (alternate to Roy Kee Jiu Hwai)

The Councillors who resigned during the year:

Name of Councillors:	**Appointed on:**	**Resigned on:**
Sam Tan How Chuan	28 August 2014	31 March 2024
Alvin Chia Beng Teck	04 July 2017	31 August 2023

Councillors' interests

The Bureau is a Bureau limited by guarantee and therefore does not have any share capital. According to the register kept by the Bureau for the purposes of Section 164 of the Act, no Councillor who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Bureau, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Bureau a party to any arrangement whose objects are, or one of whose objects is, to enable the Councillors of the Bureau to acquire benefits by means of the acquisition of shares in or debentures of the Bureau or any other body corporate.

Share options

During the financial year, there were:

(a) no options granted by the Bureau to any person to take up unissued shares in the Bureau; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Bureau.

As at the end of the financial year, there were no unissued shares of the Bureau under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Council

A K Cher
Chairman

Kamini D/O Kanagalingam
Deputy Chairman

25 July 2024

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12 Marina View #15-01
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Independent auditors' report

Members of the Motor Insurers' Bureau of Singapore

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Motor Insurers' Bureau of Singapore (the 'Bureau'), which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS25.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the 'Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Bureau as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Bureau for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Bureau in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Bureau's Councillors are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Councillors for the financial statements

The Bureau's Councillors are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Councillors are responsible for assessing the Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

The Councillors' responsibilities include overseeing the Bureau's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.

- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bureau have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 July 2024

Statement of financial position
As at 31 March 2024

	Note	2024	2023
		$	$
Assets			
Property and equipment	4	93,049	51,706
Amounts called and receivable from members	5	576	896
Estimated amounts receivable from members	6	1,730,000	2,260,000
Other receivables	7	29,481	23,148
Cash and cash equivalents	8	544,840	615,099
Total assets		2,397,946	2,950,849
Members' funds			
Accumulated profits		45,456	45,456
Total equity		45,456	45,456
Liabilities			
Provision for outstanding claims	9	1,730,000	2,260,000
Amounts received on account of members	10	506,396	589,996
Other payables	11	45,075	26,354
Lease liabilities	12	71,019	29,043
Total liabilities		2,352,490	2,905,393
Total equity and liabilities		2,397,946	2,950,849

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 March 2024

	Note	2024 $	2023 $
Members' contributions	13	953,760	1,299,813
Other income	14	5,032	4,228
Expenses			
Claims incurred	9	(511,792)	(871,465)
Staff costs	15	(305,048)	(301,937)
Depreciation of property and equipment	4	(60,794)	(55,144)
Other operating expenses		(81,158)	(75,495)
Profit before income tax	16	–	–
Income tax expense	17	–	–
Profit for the year, representing total comprehensive income for the year		–	–

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2024

	Accumulated profits $
At 1 April 2022	45,456
Profit for the year, representing total comprehensive income for the year	–
At 31 March 2023	45,456
At 1 April 2023	45,456
Profit for the year, representing total comprehensive income for the year	–
At 31 March 2024	45,456

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 March 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Profit before income tax		–	–
Adjustments for:			
Depreciation of property and equipment	4	60,794	55,144
Interest income		(381)	–
Interest expense	12	1,893	2,023
		62,306	57,167
Changes in working capital:			
Amounts called and receivable from members		320	(372)
Estimated amounts receivable from members		530,000	639,000
Other receivables		(6,333)	4,788
Provision for outstanding claims		(530,000)	(639,000)
Amounts received on account of members		(83,600)	(938,602)
Other payables		1,721	6,129
Net cash used in operating activities		(25,586)	(870,890)
Cash flows from investing activities			
Purchases of property, plant and equipment	4	(1,417)	(615)
Interest income		381	–
Net cash used in investing activities		(1,036)	(615)
Cash flows from financing activities			
Payment of lease liabilities	12	(41,744)	(40,306)
Interest paid	12	(1,893)	(2,023)
Net cash used in financing activities		(43,637)	(42,329)
Net decrease in cash and cash equivalents		(70,259)	(913,834)
Cash and cash equivalents at 1 April		615,099	1,528,933
Cash and cash equivalents at 31 March	8	544,840	615,099

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Councillors on 25 July 2024.

1 Domicile and activities

The Motor Insurers' Bureau of Singapore ('the Bureau') is incorporated in the Republic of Singapore with its principal place of business office at 180 Cecil Street, Bangkok Bank Building, #14-04, Singapore 069546.

The Bureau is limited by guarantee and does not have share capital. The members undertake to contribute funds for the Bureau's activities.

Each member undertakes to contribute to the assets of the Bureau in the event of it being wound up while it is a member, or within one year after it ceases to be a member, for payment of the debts and liabilities of the Bureau contracted before it ceases to be a member, and of the cost, charges and expenses of the winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding fifty Singapore dollars ($50).

The principal activities of the Bureau are to make compassionate payments or allowances to persons injured and to the dependents of persons killed through the use of motor vehicles as defined in the Motor Vehicles (Third-Party Risks and Compensation) Act 1960 or any statutory modifications thereto and re-enactment thereof.

There have been no significant changes in the nature of these activities during the financial year. In accordance with the Memorandum and Articles of Association, the management of the Bureau is vested in the Council.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standards (FRSs). The related changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Bureau's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires the Councillors to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.5 Changes in material accounting policies

New standards and amendments

The Bureau has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The accounting policies set out below have been applied consistently by the Bureau to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Bureau at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Receivables (including Amounts called and receivable from members) are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Bureau becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ('FVOCI'); or FVTPL. As at the end of the financial period, the Bureau only has assets measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Bureau changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Bureau makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bureau's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bureau considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Bureau considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Bureau's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Bureau derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Bureau neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Bureau enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Bureau derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Bureau also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bureau has a legally enforceable right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.3 Leases

At inception of a contract, the Bureau assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Bureau allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bureau has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Bureau recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bureau by the end of the lease term or the cost of the right-of-use asset reflects that the Bureau will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bureau's incremental borrowing rate. Generally, the Bureau uses its incremental borrowing rate as the discount rate.

The Bureau determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bureau is reasonably certain to exercise, lease payments in an optional renewal period if the Bureau is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bureau is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bureau's estimate of the amount expected to be payable under a residual value guarantee, if the Bureau changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bureau presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

3.4 Impairment

(i) Non-derivative financial assets

The Bureau recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised costs.

Loss allowances of the Bureau are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Bureau applies the general approach to provide for ECLs on all financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Bureau assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Bureau considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bureau's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Bureau considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Bureau in full.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bureau is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bureau expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Bureau assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Bureau on terms that the Bureau would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Bureau determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bureau's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Bureau's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	Over the lease term
Office equipment	Over the lease term
Computer	1 year
Renovation	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plan are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bureau has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Bureau has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.8 Claims paid and provision for outstanding claims

Claims incurred recognised in profit or loss comprise claims approved for payment during the financial year and changes in provision for outstanding claims.

Provision for outstanding claims comprises the Bureau's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date, whether reported or not, and related internal and external claims handling expenses. Provision for outstanding claims is assessed by the Councillors, reviewing individual reported claims the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends.

The Bureau's obligations for claims are fully in its own control and discretion; and crystalise upon approval. As such there are no insurance contract accounting under FRS 104 applicable to the Bureau.

3.9 Members' contributions

Members' contributions are recognised as in profit or loss to the extent that the amounts are used to reimburse all expenses incurred by the Bureau including incurred claims and net of other income earned during the financial year.

3.10 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Bureau will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Bureau for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Bureau has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Bureau expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale and the Bureau has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Bureau. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.12 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted; however, the Bureau has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRS, interpretations and amendments to FRSs are not expected to have a significant impact on the Bureau's financial statements.

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*
- Amendments to FRS 21: *Lack of Exchangeability*
- Amendments to FRS 116: *Lease liability in a Sale and Leaseback*

4 Property and equipment

	Buildings $	Office equipment $	Computer $	Renovation $	Total $
Cost					
At 1 April 2022	75,234	11,704	59,699	41,792	188,429
Additions	2,701	48	615	–	3,364
At 31 March 2023	77,935	11,752	60,314	41,792	191,793
At 1 April 2023	77,935	11,752	60,314	41,792	191,793
Additions	100,720	–	1,417	–	102,137
Write offs	(77,935)	–	–	–	(77,935)
At 31 March 2024	100,720	11,752	61,731	41,792	215,995
Accumulated depreciation					
At 1 April 2022	13,375	7,273	58,491	5,804	84,943
Depreciation for the year	37,990	1,554	1,669	13,931	55,144
At 31 March 2023	51,365	8,827	60,160	19,735	140,087
At 1 April 2023	51,365	8,827	60,160	19,735	140,087
Depreciation for the year	44,996	1,595	272	13,931	60,794
Write offs	(77,935)	–	–	–	(77,935)
At 31 March 2024	18,426	10,422	60,432	33,666	122,946
Carrying amounts					
At 1 April 2022	61,859	4,431	1,208	35,988	103,486
At 31 March 2023	26,570	2,925	154	22,057	51,706
At 31 March 2024	82,294	1,330	1,299	8,126	93,049

As at 31 March 2024, included in property and equipment under buildings; and office equipment are right-of-use assets of $82,294 and $1,330 respectively, relating to leased office property and office equipment (2023: $26,570 and $2,925).

5 Amounts called and receivable from members

	2024 $	2023 $
Amounts called from members	576	896

The amounts called and receivable from members represent the amounts that the Bureau called from members to finance the settlement of the finalised claims amounts at the reporting date. All amounts are current in nature.

6 Estimated amounts receivable from members

	2024 $	2023 $
At 1 April	2,260,000	2,899,000
Movement in provision for outstanding claims	(530,000)	(639,000)
At 31 March	1,730,000	2,260,000
Current	207,003	283,376
Non-current	1,522,997	1,976,624
	1,730,000	2,260,000

The estimated amounts receivable from members represent the estimated amounts that the Bureau can call from members to finance the settlement of the provision for outstanding claims (note 9) at the reporting date.

7 Other receivables

	2024 $	2023 $
Prepayments	13,673	7,933
Deposits	15,808	15,215
	29,481	23,148

All amounts are current in nature.

8 Cash and cash equivalents

	2024 $	2023 $
Cash at bank	544,540	614,799
Cash in hand	300	300
	544,840	615,099

9 Provision for outstanding claims

	2024 $	2023 $
Reported claims	1,730,000	2,260,000
Current	207,003	283,376
Non-current	1,522,997	1,976,624
	1,730,000	2,260,000

The movements in provision for outstanding claims are as follows:

	2024 $	2023 $
At 1 April	2,260,000	2,899,000
Claims paid	(1,041,792)	(1,510,465)
Claims incurred	511,792	871,465
At 31 March	1,730,000	2,260,000

10 Amounts received on account of members

Amounts received on account of members relate to the amounts received in advance on cash calls from members and contributions received after settlement of operating expenses during the year. All the amounts are current in nature.

Movements in amounts received on account of members

	Note	2024 $	2023 $
Balance at 1 April		589,996	1,528,598
Cash calls received from members during the year		1,400,160	1,000,211
Claims paid during the year	9	(1,041,792)	(1,510,465)
Operating expenses paid during the year	13	(441,968)	(428,348)
Balance at 31 March		506,396	589,996

11 Other payables

	2024 $	2023 $
Accrued operating expenses	27,832	26,145
Reinstatement	17,000	–
Sundry creditors	243	209
	45,075	26,354

The Bureau's exposure to liquidity risk are disclosed in note 18.

12 Leases

Leases as lessee

The Bureau leases a property with contract terms of two years. Lease payments are renegotiated at least 6 months before the end of the lease to reflect market rentals. The Bureau is restricted from entering into any sub-lease arrangement.

The Bureau leases IT equipment with contract terms of five years, with option to renew the lease after that date.

Information about leases for which the Bureau is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property and equipment (see note 4).

	Building	**Office equipment**	**Total**
	$	**$**	**$**
2024			
Balance at 1 April	26,570	2,925	29,495
Additions	100,720	–	100,720
Depreciation charge for the year	(44,996)	(1,595)	(46,591)
Balance at 31 March	82,294	1,330	83,624
2023			
Balance at 1 April	61,859	4,431	66,290
Additions	2,701	48	2,749
Depreciation charge for the year	(37,990)	(1,554)	(39,544)
Balance at 31 March	26,570	2,925	29,495

Amounts recognised in profit or loss

	2024	**2023**
	$	**$**
Leases under FRS 116		
Interest on lease liabilities	1,893	2,023

Amounts recognised in statement of cash flows

	2024	**2023**
	$	**$**
Total cash outflow for leases	43,637	42,329

Extension options

The IT equipment lease contains extension options exercisable by the Bureau up to 90 days before the end of the non-cancellable contract period. Where practicable, the Bureau seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Bureau and not by the lessors. The Bureau assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Bureau reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease liabilities

	2024 $	2023 $
Current liabilities		
Lease liabilities	43,166	27,620
Non-current liabilities		
Lease liabilities	27,853	1,423
	71,019	29,043

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2024 **$**	**2023** **$**
Balance at 1 April	29,043	66,600
Changes from financing cash flows		
Payment of lease liabilities	(41,744)	(40,306)
Interest paid	(1,893)	(2,023)
Total changes from financing cash flows	(43,637)	(42,329)
Other changes		
New leases entered during the year	83,720	2,749
Interest expense	1,893	2,023
Total other changes	85,613	4,772
Balance at 31 March	71,019	29,043

13 Members' contributions

	Note	2024 $	2023 $
Contributions for claims incurred		511,792	871,465
Contributions for operating expenses	10	441,968	428,348
		953,760	1,299,813

14 Other income

	2024 $	2023 $
Government grants	4,651	4,228
Interest income	381	–
	5,032	4,228

15 Staff costs

	2024 $	2023 $
Salaries and bonuses	273,703	270,879
CPF contributions and others	31,345	31,058
	305,048	301,937

16 Profit before income tax

The following items were included in arriving at profit before income tax:

	2024 $	2023 $
Legal fees for claim matters	166,023	232,218

17 Income tax expense

	2024 $	2023 $
Current tax expense		
Current year	–	–
Reconciliation of effective tax rate		
Profit before income tax	–	–
Tax calculated using Singapore tax rate of 17% (2023: 17%)		–
Tax exempt income	(241)	(452)
Non-deductible expenses	4,367	3,134
Recognition of tax effect of previously unrecognised tax losses	(4,126)	(2,682)
	–	–

Deferred tax assets have not been recognised in respect of the following:

	2024 $	2023 $
Unutilised tax losses	58,476	82,747

The unutilised tax losses at 31 March 2024 are subject to agreement by the tax authorities and their utilisation is subject to compliance with Section 37 of the Income Tax Act, Cap. 134. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of unutilised tax losses and capital allowances in accordance with the Bureau's accounting policy in note 3.11.

18 Financial risk management

Overview

Bureau has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Bureau's exposure to each of the above risks, the Bureau's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Bureau has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The Councillors continually monitor the Bureau's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Bureau if a member or counterparty to a financial instrument fails to meet its contractual obligations. The Bureau's main exposure to credit risk relates to the credibility of its members, and its balances with bank. The Bureau minimises its credit risk by monitoring the amounts due from its members on a regular basis and analysing the financial standing of the bank.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Expected credit loss assessment

Amounts called and receivable from members

The Bureau assessed that there is no significant credit loss experience arising from amounts called and receivable from members. As members' contributions are statutory requirements, the Bureau has assessed that it is unlikely for members' contributions to be uncollectible. As such, the Bureau regard the ECL impairment allowance on amounts called and receivable from members to be insignificant to provide.

Cash and cash equivalents

Bank balances are placed with a licensed bank incorporated in Singapore.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Bureau considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the ECL allowance on cash and cash equivalents was insignificant to provide.

Liquidity risk

Liquidity risk is the risk that the Bureau will encounter difficulty in meeting obligations associated with financial liabilities. The Bureau monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Councillors to finance the Bureau's operations and to mitigate the effects of fluctuations in cash flows.

The following table indicates the expected timing of the contractual undiscounted cash outflows arising from the Bureau's non-derivative financial liabilities.

	Note	Carrying amount $	Contractual cash flows $	Within 1 year $
2024				
Amounts received on account of members	10	506,396	506,396	506,396
Other payables	11	45,075	45,075	28,075
2023				
Amounts received on account of members	10	589,996	589,996	589,996
Other payables	11	26,354	26,354	26,354

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Bureau's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Bureau is not exposed to significant foreign currency risk as it does not have any material foreign denominated financial assets or liabilities at the end of the reporting period.

Interest rate risk

The Bureau is not exposed to significant interest rate risk as it does not have material interest in earning financial assets or interest bearing liabilities at the end of the reporting period.

Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities with maturities of less than one year are assumed to approximate their fair values due to the short period of maturity, repricing to market interest rates within a short period or are receivable/payable on demand.

The fair value for non-current financial assets and financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. As the Bureau's non-current financial assets on the estimated amounts receivable from the members relate to the settlement of provision for outstanding claims, the Bureau believes that the carrying amount approximates the fair value after discounting the relevant cash flows using current or applicable interest rate for similar instrument at the reporting date.

Accounting classification and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows.

	Note	Designated at fair value $	Financial assets at amortised cost $	Other financial liabilities $	Total carrying amount $	Fair value $
2024						
Cash and cash equivalents	8	–	544,840	–	544,840	544,840
Other receivables #	7	–	15,808	–	15,808	15,808
Estimated amounts receivable from members	6	–	1,730,000	–	1,730,000	1,730,000
Amounts called and receivable from members	5	–	576		576	576
		–	2,291,224	–	2,291,224	2,291,224

	Note	Designated at fair value $	Financial assets at amortised cost $	Other financial liabilities $	Total carrying amount $	Fair value $
Provision for outstanding claims	9	–	–	1,730,000	1,730,000	1,730,000
Amounts received on account of members	10	–	–	506,396	506,396	506,396
Other payables	11	–	–	45,075	45,075	45,075
		–	–	2,281,471	2,281,471	2,281,471
2023						
Cash and cash equivalents	8	–	615,099	–	615,099	615,099
Other receivables #	7	–	15,215	–	15,215	15,215
Estimated amounts receivable from members	6	–	2,260,000	–	2,260,000	2,260,000
Amounts called and receivable from members	5	–	896		896	896
		–	2,891,210	–	2,891,210	2,891,210
Provision for outstanding claims	9	–	–	2,260,000	2,260,000	2,260,000
Amounts received on account of members	10	–	–	589,996	589,996	589,996
Other payables	11	–	–	26,354	26,354	26,354
		–	–	2,876,350	2,876,350	2,876,350

 # excludes prepayments

The attached information does not form part of the audited financial statements.

Unaudited detailed income statement
Year ended 31 March 2024

Members' contributions and other income (Schedule 1)

	2024 $	2023 $
Members' contributions:		
Claims incurred	511,792	871,465
Recovery from Malaysia Insurer	–	–
- Contributions for claims incurred/(recovered)	511,792	871,465
- Contributions for operating expenses	441,968	428,348
	953,760	1,299,813
Other income	5,032	4,228
Total members' contributions and other income	958,792	1,304,041
Less: Expenses (Schedule 2)	958,792	1,304,041
Profit for year	–	–

Expenses (Schedule 2)

	2024 $	2023 $
Claims incurred/(recovered)	511,792	871,465
Staff costs	305,048	301,937
Depreciation of property and equipment	60,794	55,144
Other operating expenses:		
Advertising expenses	–	27
Audit fees	20,069	16,830
Bad debts	49	–
Bank charges	183	247
Cleaning services	2,260	2,330
Consultant fee	18,000	15,000
Entertainment	1,131	605
Fixed assets expense off	216	–
General expenses	788	246
Insurance	3,942	3,916
IT services, repair and maintenance	7,755	7,809
Interests on leases	1,893	2,023
Medical fees	2,610	1,849
Postage, courier, printing and stationery	434	508
Professional fee	16,832	19,791
Refreshment	812	811
Staff Training	243	–
Storage charges	665	659
Telephone/fax/internet	1,608	1,188
Utilities	1,668	1,656
Total expenses	958,792	1,304,041